



General Assembly

Amendment

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LCO No. 4679

HB0571204679HD0

Offered by:

REP. STRATTON, 17th Dist.

REP. NARDELLO, 89th Dist.

To: Subst. House Bill No. **5712**

File No. 303

Cal. No. 184

***"AN ACT CONCERNING RENEWABLE ENERGY AND ENERGY
CONSERVATION."***

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subdivisions (26) and (27) of subsection (a) of section 16-
4 1 of the general statutes, as amended by section 7 of public act 01-204,
5 are repealed and the following is substituted in lieu thereof (*Effective*
6 *July 1, 2002*):

7 (26) "Class I renewable energy source" means (A) energy derived
8 from solar power, wind power, a fuel cell, methane gas from landfills,
9 [or] ocean thermal power, wave or tidal power, low emission
10 advanced renewable energy conversion technologies, a biomass
11 facility, including, but not limited to, a biomass gasification plant that
12 utilizes land clearing debris, tree stumps or other biomass that
13 regenerates or the use of which will not result in a depletion of
14 resources, provided such facility begins operating on or after July 1,

15 1998, except that the production of electricity from a sustainable
16 biomass facility that exceeds such facility's three-year average
17 production of electricity for the period of 1995 to 1997, inclusive, may
18 be considered a Class I renewable energy source, provided the average
19 emission rate for such facility is equal to or less than .075 pounds of
20 nitrogen oxides per million BTU of heat input for the previous
21 calendar quarter and provided such biomass is cultivated and
22 harvested in a sustainable manner, or (B) distributed generation
23 generated from a Class I renewable energy source;

24 (27) "Class II renewable energy source" means energy derived from
25 a trash-to-energy facility, or a biomass facility [that does not meet the
26 criteria for a class I renewable energy source] provided the average
27 emission rate for such facility is equal to or less than .2 pounds of
28 nitrogen oxides per million BTU of heat input for the previous
29 calendar quarter or a hydropower facility, provided such facility has a
30 license issued by the Federal Energy Regulatory Commission, has been
31 exempted from such licensure, is the subject of a license application or
32 notice of intent to seek a license from said commission, has been found
33 by the Commissioner of Environmental Protection to be operating in
34 compliance with the federal Clean Water Act, or has been found by the
35 [Canadian environmental assessment agency] appropriate Canadian or
36 provincial regime to be operating in compliance with said [agency's]
37 regime's resource objectives.

38 Sec. 2. Subsection (a) of section 16-1 of the general statutes, as
39 amended by section 1 of public act 01-49 and section 7 of public act 01-
40 204, is amended by adding subdivision (40) as follows (*Effective July 1,*
41 *2002*):

42 (NEW) (40) "Distributed generation" means the generation of
43 electricity on the premises of an end user within the transmission and
44 distribution system including fuel cells, microturbines, photovoltaic
45 systems or small wind turbines.

46 Sec. 3. Section 16-243h of the general statutes is repealed and the

47 following is substituted in lieu thereof (*Effective July 1, 2002*):

48 On and after January 1, 2000, each electric supplier, as defined in
49 section 16-1, as amended by this act, and any electric distribution
50 company providing, pursuant to section 16-244c, as amended by this
51 act, standard offer, default or back-up services, shall give a credit for
52 any electricity generated by a residential customer from a Class I
53 renewable energy source or a hydropower facility as described in
54 subdivision (27) of subsection (a) of section 16-1, as amended by this
55 act. The electric distribution company providing electric distribution
56 services to such a customer shall make such interconnections necessary
57 to accomplish such purpose. An electric distribution company, at the
58 request of any residential customer served by such company and if
59 necessary to implement the provisions of this section, shall provide for
60 the installation of metering equipment that (1) measures electricity
61 consumed by such customer from the facilities of the electric
62 distribution company, (2) deducts from the measurement the amount
63 of electricity produced by the customer and not consumed by the
64 customer, and (3) registers, for each billing period, the net amount of
65 electricity either [(i)] (A) consumed and produced by the customer, or
66 [(ii)] (B) the net amount of electricity produced by the customer. A
67 residential customer who generates electricity from a generating unit
68 with a name plate capacity of more than ten kilowatts of electricity
69 pursuant to the provisions of this section shall be assessed for the
70 competitive transition assessment, pursuant to section 16-245g and the
71 systems benefits charge, pursuant to section 16-245l based on the
72 amount of electricity consumed by the customer from the facilities of
73 the electric distribution company without netting any electricity
74 produced by the customer. For purposes of this section, "residential
75 customer" means a customer of a single-family dwelling or
76 multifamily dwelling consisting of two to four units.

77 Sec. 4. Section 16-244c of the general statutes is amended by adding
78 subsection (g) as follows (*Effective July 1, 2002*):

79 (NEW) (g) An electric distribution company providing default

80 service in accordance with subsection (b) of this section or back-up
81 electric generation services in accordance with subsection (c) of this
82 section shall comply with the portfolio standards pursuant to section
83 16-245a, as amended by this act. Any such electric distribution
84 company that fails to comply with the portfolio standards when
85 renewable energy sources are reasonably available within the
86 jurisdictions specified in section 16-245a, as amended by this act, as
87 determined by the department, shall be required to make a payment to
88 the department of five cents per kilowatt-hour for each kilowatt-hour
89 under which such licensee has not met the standard, which payment
90 shall be allocated to the Renewable Energy Investment Fund created
91 pursuant to section 16-245n, as amended by this act. Such payments
92 shall not be deemed a recoverable operating expense in any rate
93 proceedings held pursuant to section 16-19.

94 Sec. 5. Subsection (l) of section 16-245 of the general statutes is
95 repealed and the following is substituted in lieu thereof (*Effective from*
96 *passage*):

97 (l) Any [person] licensee who fails to comply with a license
98 condition or who violates any provision of this section, except for the
99 renewable portfolio conditions contained in subsection (g) of this
100 section, shall be subject to [sanctions] civil penalties by the Department
101 of Public Utility Control in accordance with section 16-41, [which may
102 include, but are not limited to,] or the suspension or revocation of such
103 license or a prohibition on accepting new customers by the
104 Department of Public Utility Control following a hearing that is
105 conducted as a contested case in accordance with chapter 54. Any
106 licensee who fails to comply with the portfolio standards in accordance
107 with subsection (g) of this section when renewable energy sources are
108 reasonably available within the jurisdictions specified in section 16-
109 245a, as amended by this act, as determined by the department, shall
110 make a payment to the department of five cents per kilowatt-hour for
111 each kilowatt-hour under which such licensee has not met the
112 standard, which payment shall be allocated to the Renewable Energy
113 Investment Fund created pursuant to section 16-245n, as amended by

114 this act.

115 Sec. 6. Section 16-245a of the general statutes is repealed and the
116 following is substituted in lieu thereof (*Effective July 1, 2002*):

117 [(a) To be licensed under section 16-245, an applicant for a license
118 shall demonstrate to the satisfaction of the Department of Public
119 Utility Control that not less than one-half of one per cent of its total
120 electricity output shall be generated from Class I renewable energy
121 sources and an additional five and one-half per cent of the total output
122 shall be from Class I or Class II renewable energy sources. On and after
123 July 1, 2001, not less than three-fourths of one per cent of the total
124 output of any such supplier shall be generated from Class I renewable
125 energy sources and an additional five and one-half per cent of the total
126 output shall be from Class I or Class II renewable energy sources. On
127 and after July 1, 2002, not less than one per cent of such output shall be
128 generated from Class I renewable energy sources and an additional
129 five and one-half per cent of the total output shall be from Class I or
130 Class II renewable energy sources. On and after July 1, 2003, not less
131 than one and one-half per cent of such output shall be generated from
132 Class I renewable energy sources and an additional five and one-half
133 per cent of the total output shall be from Class I or Class II renewable
134 energy sources. On and after July 1, 2004, not less than two per cent of
135 the total output of any such supplier shall be generated from Class I
136 renewable energy sources and an additional six per cent of the total
137 output shall be from Class I or Class II renewable energy sources. On
138 and after July 1, 2005, not less than two and one-half per cent of the
139 total output of any such supplier shall be generated from Class I
140 renewable energy sources and an additional six per cent of the total
141 output shall be from Class I or Class II renewable energy sources. On
142 and after July 1, 2006, not less than three per cent of the total output of
143 any such supplier shall be generated from Class I renewable energy
144 sources and an additional six per cent of the total output shall be from
145 Class I or Class II renewable energy sources. On and after July 1, 2007,
146 not less than four per cent of the total output of any such supplier shall
147 be generated from Class I renewable energy sources and an additional

148 six per cent of the total output shall be from Class I or Class II
149 renewable energy sources. On and after July 1, 2008, not less than five
150 per cent of the total output of any such supplier shall be generated
151 from Class I renewable energy sources and an additional six per cent
152 of the total output shall be from Class I or Class II renewable energy
153 sources. On and after July 1, 2009, not less than six per cent of the total
154 output of any such supplier shall be generated from Class I renewable
155 energy sources and an additional seven per cent of the total output
156 shall be from Class I or Class II renewable energy sources. An electric
157 supplier may satisfy the requirements of this subsection by
158 participating in a renewable energy trading program approved by the
159 state. Any supplier who provides electric generation services solely
160 from a Class II renewable energy source shall not be required to
161 comply with the provisions of this section.]

162 (a) An electric supplier shall demonstrate to the satisfaction of the
163 Department of Public Utility Control that on and after July 1, 2001, not
164 less than three-fourths of one per cent of the total output of any such
165 supplier shall be generated from Class I renewable energy sources and
166 an additional five and one-half per cent of such output shall be from
167 Class I or Class II renewable energy sources. An electric supplier and
168 an electric distribution company providing, pursuant to section 16-
169 244c, as amended by this act, default service or back-up generation
170 service shall demonstrate that on and after July 1, 2004, not less than
171 one per cent of the total output or services of any such supplier or
172 distribution company shall be generated from Class I renewable
173 energy sources and an additional six per cent of such output or
174 services shall be from Class I or Class II renewable energy sources. On
175 and after July 1, 2005, not less than one and one-half per cent of such
176 output or services shall be generated from Class I renewable energy
177 sources and an additional six per cent of such output or services shall
178 be from Class I or Class II renewable energy sources. On and after July
179 1, 2006, not less than two per cent of such output or services shall be
180 generated from Class I renewable energy sources and an additional six
181 per cent of such output or services shall be from Class I or Class II

182 renewable energy sources. On and after July 1, 2007, not less than two
183 and one-half per cent of such output or services shall be generated
184 from Class I renewable energy sources and an additional six per cent
185 of such output or services shall be from Class I or Class II renewable
186 energy sources. On and after July 1, 2008, not less than three per cent of
187 such output or services shall be generated from Class I renewable
188 energy sources and an additional six per cent of such output or
189 services shall be from Class I or Class II renewable energy sources. On
190 and after July 1, 2009, not less than four per cent of such output or
191 services shall be generated from Class I renewable energy sources and
192 an additional seven per cent of such output or services shall be from
193 Class I or Class II renewable energy sources. On and after July 1, 2010,
194 not less than five per cent of such output or services shall be generated
195 from Class I renewable energy sources and an additional seven per
196 cent of such output or services shall be from Class I or Class II
197 renewable energy sources. On and after July 1, 2011, not less than six
198 per cent of such output or services shall be generated from Class I
199 renewable energy sources and an additional seven per cent of such
200 output or services shall be from Class I or Class II renewable energy
201 sources. An electric supplier or electric distribution company
202 providing, pursuant to section 16-244c, as amended by this act, default
203 service or back-up generation service may satisfy the requirements of
204 this subsection by purchasing Class I or Class II renewable energy
205 sources within the jurisdiction of the regional independent system
206 operator, the New York Independent System Operator, or its successor
207 organization as approved by the Federal Energy Regulatory
208 Commission, or the PJM Interconnection, LLC, or its successor
209 organization as approved by the Federal Energy Regulatory
210 Commission or the Canadian Provinces of Ontario, Quebec, New
211 Brunswick, Newfoundland and Labrador, Nova Scotia or Prince
212 Edward Island or by participating in a renewable energy trading
213 program within said jurisdictions as approved by the Department of
214 Public Utility Control. Any supplier who provides electric generation
215 services solely from a Class II renewable energy source shall not be
216 required to comply with the provisions of this subsection.

217 (b) An [applicant's demonstration] electric supplier or an electric
218 distribution company providing, pursuant to section 16-244c, as
219 amended by this act, default service or back-up generation service
220 shall base its demonstration of generation sources, as required under
221 subsection (a) of this section [, shall be based] on historical data, which
222 may consist of data filed with the regional independent system
223 operator.

224 (c) (1) A supplier or an electric distribution company providing,
225 pursuant to section 16-244c, as amended by this act, default or back-up
226 generation service may make up any deficiency within its generation
227 service portfolio within the first three months of a calendar year or as
228 otherwise provided by generation information system operating rules
229 approved by New England Power Pool or its successor to meet the
230 generation source requirements of subsection (a) of this section for the
231 previous year.

232 (2) No such supplier or distribution company shall receive credit for
233 the current calendar year for generation from renewable energy
234 sources pursuant to this section where such supplier or distribution
235 company receives credit for the same year pursuant to subdivision (1)
236 of this subsection.

237 [(c)] (d) The department [may] shall adopt regulations pursuant to
238 chapter 54 to implement the provisions of this section.

239 Sec. 7. Subsection (d) of section 16-245m of the general statutes is
240 repealed and the following is substituted in lieu thereof (*Effective*
241 *October 1, 2002*):

242 (d) (1) The Energy Conservation Management Board shall advise
243 and assist the electric distribution companies in the development and
244 implementation of a comprehensive plan, which plan shall be
245 approved by the Department of Public Utility Control, to implement
246 cost-effective energy conservation programs and market
247 transformation initiatives. Each program contained in the plan shall be
248 reviewed by the electric distribution company and either accepted or

249 rejected by the Energy Conservation Management Board prior to
250 submission to the department for approval.

251 (2) Programs included in the plan shall be screened through cost-
252 effectiveness testing which compares the value and payback period of
253 program benefits to program costs to ensure that programs are
254 designed to obtain energy savings whose value is greater than the
255 costs of the programs. Program cost-effectiveness shall be reviewed
256 annually, or otherwise as is practicable. If a program is determined to
257 fail the cost-effectiveness test as part of the review process, it shall
258 either be modified to meet the test or shall be terminated. On or before
259 January 31, 2001, and annually thereafter until January 31, 2006, the
260 board shall provide a report to the joint standing committees of the
261 General Assembly having cognizance of matters relating to energy and
262 the environment which documents expenditures, fund balances and
263 evaluates the cost-effectiveness of such programs conducted in the
264 preceding year.

265 (3) [Such programs] Programs included in the plan may include, but
266 not be limited to: [(1)] (A) Conservation and load management
267 programs; [(2)] (B) research, development and commercialization of
268 products or processes which are more energy-efficient than those
269 generally available; [(3)] (C) development of markets for such products
270 and processes; [(4)] (D) support for energy use assessment, engineering
271 studies and services related to new construction or major building
272 renovation; [(5)] (E) the design, manufacture, commercialization and
273 purchase of energy-efficient appliances and heating, air conditioning
274 and lighting devices; [(6)] (F) program planning and evaluation; and
275 [(7)] (G) public education regarding conservation. Such support may
276 be by direct funding, manufacturers' rebates, sale price and loan
277 subsidies, leases and promotional and educational activities. Any other
278 expenditure by the collaborative shall be limited to retention of expert
279 consultants and reasonable administrative costs provided such
280 consultants shall not be employed by, or have any contractual
281 relationship with, an electric distribution company. Such costs shall
282 not exceed five per cent of the total revenue collected from the

283 assessment.

284 Sec. 8. Subsection (a) of section 16-245n of the general statutes is
285 repealed and the following is substituted in lieu thereof (*Effective July*
286 *1, 2002*):

287 (a) For purposes of this section, "renewable energy" means solar
288 energy, wind, ocean thermal energy, wave or tidal energy, fuel cells,
289 landfill gas, hydrogen production and hydrogen conversion
290 technologies, and low emission advanced biomass conversion
291 technologies and other energy resources and emerging technologies
292 which have significant potential for commercialization and which do
293 not involve the combustion of coal, petroleum or petroleum products,
294 municipal solid waste or nuclear fission.

295 Sec. 9. Section 16-245n of the general statutes is amended by adding
296 subsection (e) as follows (*Effective October 1, 2002*):

297 (NEW) (e) Not later than January 1, 2003, and each year thereafter,
298 Connecticut Innovations, Incorporated shall submit a report to the
299 Department of Public Utility Control and the Office of Consumer
300 Counsel that summarizes its expenditures pursuant to this section.

301 Sec. 10. Section 16-245p of the general statutes is repealed and the
302 following is substituted in lieu thereof (*Effective January 1, 2004*):

303 (a) [Upon being issued a license pursuant to section 16-245, an] An
304 electric supplier and an electric distribution company providing,
305 pursuant to section 16-244c, as amended by this act, default service or
306 back-up generation service shall submit information to the Department
307 of Public Utility Control that the department, after consultation with
308 the Consumer Education Advisory Council, established under section
309 16-244d, determines will assist customers in making informed
310 decisions when choosing an electric supplier, including, but not
311 limited to, the information provided in subsection (b) of this section.
312 Each supplier or electric distribution company providing, pursuant to
313 section 16-244c, as amended by this act, default service or back-up

314 generation service shall submit, on a form prescribed by the
315 department, quarterly reports containing information on rates and any
316 other information the department deems relevant, including, but not
317 limited to, any change in the information as required by the
318 department. After the department has received the information
319 required pursuant to this subsection, the supplier shall be eligible to
320 receive customer marketing information from electric or electric
321 distribution companies, as provided in section 16-245o, as amended by
322 this act.

323 (b) The Department of Public Utility Control shall maintain and
324 make available to customers upon request, a list of electric aggregators
325 and the following information about each electric supplier, as defined
326 in section 16-1, as amended by this act, and each electric distribution
327 company providing, pursuant to section 16-244c, as amended by this
328 act, default service or back-up generation service: (1) Rates and
329 charges; [provided by an electric supplier;] (2) applicable terms and
330 conditions of a contract for electric generation services; [provided by
331 an electric supplier;] (3) the percentage of [each supplier's] the total
332 electric output derived from each of the categories of energy sources
333 provided in subsection (e) of section 16-244d, the total emission rates
334 [at which each facility operated by or under long-term contract to the
335 electric supplier emits] of nitrogen oxides, sulfur oxides, carbon
336 dioxide, carbon monoxide, particulates, heavy metals and other wastes
337 the disposal of which is regulated under state or federal law at the
338 facilities operated by or under long-term contract to the electric
339 supplier or providing generation services to an electric distribution
340 company providing, pursuant to section 16-244c, as amended by this
341 act, default service or back-up generation service, and the analysis of
342 the environmental characteristics of each such category of energy
343 source prepared pursuant to subsection (e) of said section 16-244d and
344 to the extent such information is unknown, the estimated percentage of
345 the [electric supplier's] total electric output for which such information
346 is unknown, along with the word "unknown" for that percentage; (4) a
347 record of customer complaints and the disposition of each complaint;

348 and (5) any other information the department determines will assist
349 customers in making informed decisions when choosing an electric
350 supplier. The department shall update the information at least
351 quarterly. The department shall put such information in a standard
352 format so that a customer can readily understand and compare the
353 services provided by each electric supplier.

354 Sec. 11. (*Effective July 1, 2002*) Not later than July 1, 2003, the
355 Department of Public Utility Control shall open a docket to review and
356 adopt generation interconnection protocols. Provided the Institute of
357 Electrical and Electronics Engineers, or its successor, has adopted such
358 protocols, there shall be a rebuttable presumption that the department
359 shall adopt such protocols.

360 Sec. 12. (*Effective July 1, 2002*) The Department of Public Utility
361 Control shall, within available resources, conduct a study in
362 consultation with the Energy Conservation Management Board that
363 examines different means to encourage end users of electricity to
364 conserve electricity, including, but not limited to, the use of enhanced
365 time-of-day metering or seasonal rates. Not later than January 1, 2003,
366 the department shall submit a report on its findings and
367 recommendations to the joint standing committee of the General
368 Assembly having cognizance of matters relating to energy, in
369 accordance with the provisions of section 11-4a of the general statutes.

370 Sec. 13. (*Effective July 1, 2002*) Notwithstanding the provisions of
371 section 13 of public act 01-9 of the June special session, the Department
372 of Public Utility Control shall not authorize any further disbursements
373 from the Energy Conservation and Load Management Funds to the
374 General Fund. Any such disbursed funds that are unencumbered or
375 not allotted on the effective date of this act shall be returned to said
376 department and deposited in the Energy Conservation and Load
377 Management Funds in the same proportion in which such funds were
378 disbursed.

379 Sec. 14. (*Effective July 1, 2002*) Notwithstanding the provisions of

380 section 16-245m of the general statutes, as amended by this act, not
 381 later than July 1, 2005, the Department of Public Utility Control, after
 382 consultation with the Energy Conservation Management Board, may
 383 authorize disbursements of up to a total of three and one-half million
 384 dollars from the Energy Conservation and Load Management Funds
 385 established pursuant to said section to the Institute of Sustainable
 386 Energy at Eastern Connecticut State University. The institute shall use
 387 such funds for the development of an energy curricula and a research
 388 office to serve the needs of this state, its citizens and regional energy
 389 partners in furtherance of the enhancement of a comprehensive and
 390 cohesive state and regional energy policy. The amount disbursed from
 391 each fund shall be proportionately based on the receipts received by
 392 each fund. Not later than January 1, 2003, and each year thereafter, the
 393 institute shall submit a report to the Department of Public Utility
 394 Control and the Office of Consumer Counsel that summarizes the
 395 expenditures pursuant to this section.

396 Sec. 15. (*Effective July 1, 2002*) Section 16-6c of the general statutes is
 397 repealed."

This act shall take effect as follows:	
Section 1	<i>July 1, 2002</i>
Sec. 2	<i>July 1, 2002</i>
Sec. 3	<i>July 1, 2002</i>
Sec. 4	<i>July 1, 2002</i>
Sec. 5	<i>from passage</i>
Sec. 6	<i>July 1, 2002</i>
Sec. 7	<i>October 1, 2002</i>
Sec. 8	<i>July 1, 2002</i>
Sec. 9	<i>October 1, 2002</i>
Sec. 10	<i>January 1, 2004</i>
Sec. 11	<i>July 1, 2002</i>
Sec. 12	<i>July 1, 2002</i>
Sec. 13	<i>July 1, 2002</i>
Sec. 14	<i>July 1, 2002</i>
Sec. 15	<i>July 1, 2002</i>